

Illinois' Marathon Oil Company

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Would you ever think Illinois could ever be a leading oil-producing state? The Ohio Oil Company, now known as Marathon Refinery in Robinson thought Illinois was a good place to pump oil. The company was originally established in 1887 in northwestern Ohio by a group of independent oil producers who appointed Henry M. Ernst as president. The company grew rapidly under good management.

Some fifteen years later the Ohio Oil Company entered a newly discovered oil field in southern Illinois, soon became the leading oil producing company in Illinois, and contributed to the development of the oil industry in southern Illinois. When the company started drilling oil, it had trouble shipping oil to the markets, because the railroad tracks could not support the weight of the railroad cars loaded with oil. The Ohio Oil Company decided it needed a pipeline. In 1906 the Ohio Oil Company constructed 1,800 miles of pipeline to their tank farm in Martinsville, Illinois. The Ohio Oil Company had linked 791 producing wells into a gathering system of tanks and pipelines. By 1910 oil production in Illinois reached a peak of more than 33 million barrels and the Ohio Oil Company contributed a large part of it.

In 1911 the United States Supreme Court ruled to dissolve Standard Oil Company. Ohio Oil had been the production arm of Standard for 22 years. The Ohio Oil Company had a tough decision to make in which they had a choice to stay in the risky business of only producing oil or to think about adding refining and marketing.

Approximately 13 years later the Ohio Oil Company decided it would start a refining and

marketing division. At the same time the residents of Robinson, Illinois, seeing the success of other oil boom towns, wanted the same success. The Robinson residents contacted the Ohio Oil Company, given its reputation as an experienced company managed by hard working, intelligent oil men and superior management. Thus, the existing Lincoln Oil Refinery in Robinson, Illinois, was purchased and renamed by the Ohio Oil Company. In 1926 the Ohio Oil Company completely rebuilt the old Lincoln Refinery and by the very next year was the most modern refinery in the nation.

In the next few years oil production in Illinois dramatically declined since many of the oil wells were empty. But with Ohio Oil Company's geophysicists it developed a new method to find wells in what were thought to be dry wells. Since the geophysicists found this new method of finding oil, production increased immensely. In the mid-1940s 15,500 barrels of oil were produced each day, and within three years 27,500 barrels per day were produced. The Oil Company in Robinson, Illinois, was able to make everything needed to produce oil including tools, pipeline, and equipment used to produce oil and was the most complete shop in the United States.

From the mid 1940s to the late 1950s the company continued to expand and keep up to date in producing, transporting and refining crude oil. In 1962 it changed the name to Marathon Oil Company because it made sense with the products they were selling.

Marathon Oil Company continues to play a major part in the economic success of Robinson, Illinois. The Illinois Refining Division pays approximately \$5 million in taxes every year. The refinery employs approximately 600 full-time employees.

Internationally the Ohio Oil Company produces 24 billion barrels of oil per year, of which 15,500,000 barrels come from the Robinson refinery. [From Marathon Oil

Company, http://www.marathon.com/about_us/our_history/ (Dec. 12, 2005); Marathon Oil Company, "History of Ohio Oil Company," June 25, 1956; H. Spence, *Portrait In Oil*; Ida M. Tarbell, The History of the Standard Oil Company.]